

APR 30 1996

STATE OF ARIZONA  
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE  
BY CWB

In the Matter of the Withdrawal of: ) Docket No. 96A-036-INS  
BANK SOUTH LIFE INSURANCE )  
CORPORATION (NAIC No. 93874) )

ORDER

Petitioner.

On April 26, 1996, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal submitted "Recommended Findings of Fact, Conclusions of Law and Recommended Order Authorizing Withdrawal of Insurer from the Insurance Business and for a Release of Statutory Deposit", a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the recommendation, and enters the following order:

1. The recommended findings of fact and conclusions of law are adopted.
2. The Petitioner is granted an exemption pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration statements for the year ending 1995.
3. The Petitioner may file its Articles of Dissolution with the Arizona Corporation Commission.
4. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and that the statutory deposit shall be released to the Petitioner after the

1 Department has received the following: (a) payment of  
2 examination expenses, if due; (b) payment of \$345.69 to the  
3 IERF; (c) payment of \$348.75 to the Department; (d) a copy of  
4 its Articles of Dissolution certified as filed by the Arizona  
5 Corporation Commission; and (e) a fully executed Form E126  
6 (Notice of Trust Deposit Release). The statutory deposit cannot  
7 be released until the Department receives a fully executed copy  
8 of the official State Treasurer Release Receipt.

9           5. The sum of \$100.00 previously credited to the  
10 IERF will be refunded to the Petitioner, pursuant to A.R.S.  
11 §20-159.

12           6. The Petitioner will file its 1995 Annual Statement  
13 with the Department, together with all applicable fees.

14           7. The petitioner will file its 1996 Annual Statement  
15 with the Department, together with all applicable fees, unless  
16 Petitioner files its Article of Dissolution with the Arizona  
17 Corporation Commission on or before December 31, 1996.

#### 18 NOTIFICATION OF RIGHTS

19           The aggrieved party may request a rehearing with  
20 respect to this Order by filing a written petition with the  
21 Office of Administrative Hearings within 30 days of the date of  
22 this Order, setting forth the basis for such relief pursuant to  
23 A.A.C. R20-6-114(B).

24           The final decision of the Director may be appealed to  
25 the Superior Court of Maricopa County for judicial review  
26 pursuant to A.R.S. §20-166.

1 EFFECTIVE this 30th day of April, 1996

2  
3 Chris Herstam

4 Chris Herstam  
Director of Insurance

5 A copy of the foregoing  
6 mailed this 30th day of  
April, 1996

7 Charles R. Cohen, Deputy Director  
Gregory Y. Harris, Executive Assistant Director  
8 Mary Butterfield, Assistant Director  
Catherine O'Neil, Assistant Director  
9 Gary Torticill, Assistant Director  
Deloris Williamson, Assistant Director  
10 Nancy Howse, Chief Deputy Director  
Scott Greenberg, Business Administrator  
11 Barbara Lewis, Manager Compliance Section  
Kelly Stephens, Assistant Deputy Director  
12 Brian Stephan, Tax Unit Supervisor  
Cary Cook, Solvency Support United Supervisor  
13 Kurt Regner, Examiner  
Department of Insurance  
14 2910 N. 44th St., Suite 210  
Phoenix, AZ 85018

15 Thomas E. Haney  
16 1421 East Thomas Road  
Phoenix, Arizona 85014

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18 Curvey Walters Burton  
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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Withdrawal of  
  
BANK SOUTH LIFE INSURANCE  
CORPORATION (NAIC No. 93874),  
  
Petitioner.

No. 96A-036-INS

RECOMMENDED FINDINGS OF  
FACT, CONCLUSIONS OF LAW  
AND RECOMMENDED ORDER  
AUTHORIZING WITHDRAWAL OF  
INSURER FROM THE INSURANCE  
BUSINESS AND FOR A RELEASE  
OF STATUTORY DEPOSIT

On April 10, 1996, a hearing took place at the Arizona Department of Insurance (the "Department"), 2910 North 44th Street, Phoenix, Arizona, to consider the application of Bank South Life Insurance Corporation (the "Petitioner"), NAIC No. 93874, to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

Based upon the entire record in this matter, including all pleadings, motions, testimony and exhibits admitted during the hearing of this matter, Administrative Law Judge Lewis D. Kowal has prepared the following Recommended Findings of Fact, Conclusions of Law and Proposed Order for consideration and approval by the Director:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Petitioner has surrendered its Certificate of Authority to the Department.

2. The Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of the Petitioner's sole shareholder authorizing Petitioner to withdraw from the insurance business by dissolution.

3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.

4. The Petitioner has filed its certified financial statement as of January 31, 1996 with the Department.

5. At least 10 business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the

1 date, place, nature and purpose of the hearing, as evidenced by the affidavit of  
2 publication on file. Petitioner also provided individual notice by mail to its known  
3 creditors, as evidenced by an affidavit.

4 6. The Petitioner has a \$100,000.00 statutory deposit with the Department  
5 and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").

6 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and  
7 with A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

8 8. The Department may have incurred examination expenses as a result  
9 of this withdrawal.

10 9. Petitioner currently owes \$345.69 to the IERF and \$348.75 to the  
11 Department for an August 19, 1992 computer fund assessment.

12 10. Petitioner has requested and the Department did not object to an  
13 exemption pursuant to A.R.S. §20-481.17 from the filing of a "Form B" registration  
14 statement for the year ending 1995.

15 **RECOMMENDED ORDER**

16 The undersigned Administrative Law Judge recommends that:

17 1. Petitioner be granted an exemption pursuant to A.R.S. §20-481.17 from  
18 the filing of a "Form B" registration statements for the year ending 1995.

19 2. The Petitioner may file its Articles of Dissolution with the Arizona  
20 Corporation Commission.

21 3. The Petitioner is entitled to the release of its statutory deposit in the  
22 sum of \$100,000.00 and that the statutory deposit shall be released to the Petitioner  
23 after the Department has received the following: (a) payment of examination  
24 expenses, if due; (b) payment of \$345.69 to the IERF; (c) payment of \$348.75 to the  
25 Department; (d) a copy of its Articles of Dissolution certified as filed by the Arizona  
26 Corporation Commission; and (e) a fully executed Form E126 (Notice of Trust  
27 Deposit Release). The statutory deposit cannot be released until the Department  
28 receives a fully executed copy of the official State Treasurer Release Receipt.

29 4. The sum of \$100.00 previously credited to the IERF be refunded to the  
30 Petitioner, pursuant to A.R.S. §20-159.

31 5. The Petitioner file its 1995 Annual Statement with the Department,  
32 together with all applicable fees.

33 ...

34 ...

6.. The Petitioner file its 1996 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Article of Dissolution with the Arizona Corporation Commission on or before December 31, 1996.

DATED this 26<sup>th</sup> day of April, 1996.

## OFFICE OF ADMINISTRATIVE HEARINGS


Les D. Kewal

LEWIS D. KOWAL

Administrative Law Judge

COPY of the foregoing mailed/delivered  
this 7<sup>th</sup> day of April, 1996, to:

Chris Herstam, Director  
Arizona Department of Insurance  
2910 North 44th Street, Suite 210  
Phoenix, AZ 85018

  
Chris Crawford